Cyclone Relief.—As I explained in an earlier paragraph Rs. 2 lakhs in all, one lakh for house construction loans and one lakh for agricultural loans have been tentatively provided in the current year's budget for purposes of giving loans to the poor affected by the recent cyclone. Whether anything more will have to be provided for the above purpose in the next year's budget can be known only after final orders are passed on the proposal before the Government.

Further details of various provisions under the service heads have been given in the explanatory memorandum and for want of time I do not propose to discuss them in this speech. But let me point out that ultimately the total revenue expenditure for the next year comes to Rs. 108·97 lakhs against the total revenue of Rs. 113·49 lakhs leaving a surplus of Rs. 4·53 lakhs which is only about half of the net surplus in the years 1115 and 1116. It is however gratifying to note that with the set backs in our finance on account of the War and the Cyclone we have been able to show this surplus.

THE COCHIN HARBOUR AND THE SHORANUR COCHIN RAILWAY

As I explained in my last budget speech the Capital expenditure on account of the Cochin Harbour works was completed in the last year itself. There has not been any payment on this account in the current year. So far the Cochin Government have incurred the following expenses on account of the Harbour:—

(*a*) Towards the reclamation of 100 acres at Rs. 15,000 per acre*		15,00,003
(*b*) 1st stage Harbour Works including Vypeen foreshore	Rs. 76,665	
	Rs. 15,979	
		92,644
(*c*) Loan to Harbour Authorities to meet the cost of second stage works (interest free)		3,00,000
(*d*) Two-thirds of the cost of the dredger		13,33,333
(*e*) Do. do. of the IVth stage works ..		63,43,840
(*f*) Do. do. of the Ware-house ..		1,13,330

Of the above, Rs. 15 lakhs on account of the reclamation brings in a return of 5 per cent amounting to Rs. 75,000 a year. This amount is paid by the Harbour Authorities in two half-yearly instalments of Rs. 37,500 each. The cost of the dredger is being repaid in 20 equated annual instalments the interest on the balances being 4 per cent. The expenditure on account of the IVth stage

*N. B.—Rs. 22·5 lakhs the cost of 150 acres was repaid in 1115.

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works (Rs. 63·44 lakhs) is to be repaid by the Harbour Authorities in 30 equated annual instalments, payment commencing 10 years after receipt of advance, the interest on this being 5 per cent. The cost on account of the Ware-house has begun to be repaid at the rate of Rs. 7,255 in 25 equated annual payments, the interest on the balances being 4 per cent. No definite terms for the repayment of the loan of Rs. 3 lakhs have been laid down; the question is deferred till repayment of the loan for IVth stage works is completed or the working of the Port shows a satisfactory surplus after providing for IVth stage instalments. The expenditure of Rs. 92,644 incurred in the earlier years is a capital investment and is not proposed to be repaid. The above details give the Hon'ble Members a complete picture of the expenses that have been incurred by the Government on account of the Cochin Harbour. All the payments according to the original proposals on this account have now been completed.

The total capital outlay in the State Railway including the newly constructed Idappilli link up to the end of 1941 is Rs. 117·19 lakhs. This includes the capital expenditure on the original metre-gauge railway but excludes the revenue portion of the conversion expenditure. The net earnings for the year 1940-41 were Rs. 6,34,609 and this works out a return of 5·4 per cent on capital.

ELECTRIC SUPPLY AND INDUSTRIAL CONCERNS

From the Government Thermal station at Nemmara a net yield of 3·8 per cent on the capital investment was realised in the last year but at Chittur the receipts were only just sufficient to meet the working expenses. In the current year it is expected that the Nemmara station will yield 1·5 per cent only and that the Chittur station will, as in last year, show no profit. In the next year it is anticipated that, as a result of war conditions, both the stations will have to work at a loss. The loss in the case of Nemmara is estimated to be Rs. 535 and that of Chittur Rs. 3,547.

Negotiations with the Travancore Government on the proposal to buy power from them (The Pallivasal Hydro-Electric Works) are proceeding. The expenditure that has been so far incurred on this account is debited to capital works. Since printing the preliminary edition of the budget Government have decided to provide Rs. 3 lakhs under "Capital Outlay" for this purpose.

The State Stoneware Factory was leased to private management in the year 1115. As I explained in detail in my last budget speech the term of the present lease expires only in the year 1118.

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